

CHAPTER I

INTRODUCTION

A. Background

Tax is one of the largest income contributions in Indonesia. Based on the data from <https://www.kemenkeu.go.id/apbn2017> in 2017, the Domestic Income was 1.750,3 trillion rupiahs. The Domestic Income comes from 3 kinds of income; taxable income, non-taxable income and grant income. The detailed information showed that the 1.498,9 trillion rupiah (85.64%) comes from taxable income, while 250,0 trillion rupiah (14.28%) comes from Non-taxable income while the other 1.4 trillion rupiah (0.08%) comes from grant income.

Tax ratio in the year of 2017 showed that it still in the number of 10.1%. This ratio was still far from what had been expected. It also showed that the data last 7 years still decrease in each year, except in the year of 2017 increase at about 0.6%. It indicated that there was big asymmetry for both whose are compliance in paying the tax and the one who do not.

Survey analysis by PIRAC (Public Interest Research and Advocacy Center) in the year of 2000, 2004, and 2007 defines that 99.6% of Indonesian are good philanthropist, detailed explained that more of 96% of them are giving the voluntary contribution cause the regulation and value of their religion. The other important fact is the significant changes of voluntary contribution motivations with the reason of interpretation of the society in the year of 2007 were increasing well, from 4% to 19% (Abidin, *et al*, 2008).

One factor that indicates the decrease of tax ratio is double paying both *zakat* and tax, especially for those Muslims. The other factor indicated the less payment of *zakat* by the tax payers are approved by the research from Reza (2012). The result is, based on Arab ethnicity the *zakat* are being part of blessing into Allah SWT which its analogical value could be in the form of tax and corporate social responsibility. (Humam, 2012 in Reza, 2012) agree with the implementation of company's *zakat* payment in order to receive blessing from Allah. He also believes that this is the way to implement *amar ma'rif nahi munkar* which encourage stimulate in kindness and prevent evil actions. While part of them are prefer to pay the *zakat* directly for those who deserve to receive *zakat* because they are having less-confidence in management of *zakat* organizer institution. Meanwhile the others prefer to pay the *zakat* in form of corporate social responsibility because the finance circulates in the work-life transaction and the other reason is avoiding despotic.

In case of paying the *zakat*, it actually could be beneficial in two sides; *hablu min Allah and Hablu min An-Nas*. *Hablu min Allah* means that suitable with Allah's guidance to pay *zakat*. It is regulated by the Holy Qur'an letter An-Nur verse 56:

وَأَقِيمُوا الصَّلَاةَ وَآتُوا الزَّكَاةَ وَأَطِيعُوا الرَّسُولَ لَعَلَّكُمْ تُرْحَمُونَ

Meaning:

So establish regular prayer and give regular *zakat*; and obey the Messenger; that ye may receive mercy.

Hablu min An-Nas means that *zakat* could give a good effect for the one who pays it (*muzakki*) to the one who receives it (mustahik). Meanwhile the main point of *zakat* is making a spread of social asymmetry so that the *zakat* could purify the mustahik and increasing the number of economic welfare.

Solving those many kinds of problem affected by the *zakat* and tax payment, recently the government of Indonesia are regulating the better mechanism and regulation of it. One of the efforts is integrating the *zakat* payment which is managed by listed *Zakat* Management Institution, so that the distribution of *zakat* payment could circulate the economic movement of Indonesia.

The other effort by the government is the new implementation of UU no 23/2011 which regulates that the *zakat* could deduct the Taxable income. Taxable income means the amount of net income exceed by expenses paid by the tax payers and the other deductible income. Deductible income means some of the expenses that allow to exceed of tax payment by the government. The benefit of this new implementation is, it would reduce the society's anxiety about double payment for *zakat* and tax, so that it may imply on their compliance of paying both *zakat* and tax.

It is important to consider and inform the different treatment of *zakat* payment as tax expenses and deductible income with its effect. As explained in the previous paragraph, Indonesia today is implementing *zakat* as a tax expenses, but actually citizens expect this treatment is changed into deductible income such as Malaysia. Research by Suprayitno, Kader and Harun (2013)

indicates that more payment of *Zakat* followed by the more payment of Taxation in Malaysia with the amount was always increasing in each year from 2001 – 2008.

This research is a replication from Muktiyanto, 2008 with the title of *Zakat sebagai pengurang pajak (sikap masyarakat terhadap zakat sebagai pengurang pajak di Pamulang – Tangerang)*. This research indicates that more than 52% citizens are not yet aware about the implementation of *zakat* as tax expense and they don't pay *zakat* in *zakat* institution. It also indicates that most of them have misinterpretation about the *Zakat* accounting treatment as a tax expense, not deductible income. It also recommends the government to socialize the implementation of *zakat* as a deductible expenses. The other result is Indonesians do not yet recognize the implementation of UU no 30 / 1999. Some of them also have misinterpretation about the treatment of *zakat* deduction. They assume that the *zakat* payment could be treated as deductible income, not tax expenses. It also suggests that it is important for the government to make an amendment of *Zakat* UU and KUP about the *Zakat* accounting calculation.

The similarities and differences between this research and the previous are as follows:

1. Both of the research and the previous research examine about *zakat* deduction treatment of taxable income related with the new implementation of UU no 36 / 2011.

2. The previous research result is an identification whether the tax payers truly know about the *zakat* deduction treatment well or not, but this research aims to examine their attitude in facing the integration of *zakat* and tax payment.
3. The subjects of the previous research are civil servants, private employees and whoever fastened with the institution potentially paid the tax, while this research are the civil servants in Yogyakarta

Based on Those Exposition, this research aims to examine:

THE INFLUENCE OF KNOWLEDGE ON TAXATION, KNOWLEDGE ON *ZAKAT* AND KNOWLEDGE ON *ZAKAT* AND TAX INTEGRATION TOWARDS *MUZAKKI* AND TAX PAYER'S ATTITUDE IN PAYING *ZAKAT* AND INCOME TAX (A study case of civil servant in SKPD DIY).

B. Research's Scope

The scope of this research are:

1. Independent variable tested in this research which are knowledge on taxation, knowledge on *zakat*, and knowledge on *zakat* and tax integration. While the dependent variable in this research is *muzakki* and tax payer's attitude in paying *zakat* and income tax.
2. Sample used in this research are civil servant representations of each Satuan Kerja Perangkat Daerah (SKPD) in Daerah Istimewa Yogyakarta (DIY) city government.

C. Research Questions

1. Does the civil servants knowledge on *zakat* has positive influence to *muzakki* and tax payer's attitude in paying *zakat* and income tax?
2. Does the civil servants knowledge on tax has positive influence to *muzakki* and tax payer's attitude in paying *zakat* and income tax?
3. Does the civil servants knowledge on *zakat* and tax integration has positive influence to *muzakki* and tax payer's attitude in paying *zakat* and income tax?

D. Research Objectives

The objectives of this research are to find about:

1. The influence of knowledge on taxation towards *muzakki* and tax payer's attitude in paying *zakat* and income tax.
2. The influence of knowledge on *zakat* towards *muzakki* and tax payer's attitude in paying *zakat* and income tax.

3. The influence of knowledge on *zakat* & tax integration towards *muzakki* and tax payer's attitude in paying *zakat* and income tax.

E. Research Contribution

Below are some contributions which could be given by this research:

1. Theoretical Benefit

The theoretical benefit of this research is giving an information to the citizens about regulation of *zakat* as a deduction of taxable income based on UU no 36 / 2011. Therefore, the citizen especially for the readers are have information about the way to calculate the *zakat* as a deduction of taxable income. On the other hand, it also aims to answer the question of what the responses from civil servant as a part of *muzakki* and tax payers, so that it would answer whether it is suitable to implement in Indonesia or not.

2. Practical Benefit

Hopefully this research also has a practical benefit for the government, citizens and for the researchers. Below are more detail explanation about it:

- a. Government

It is important for the government to consider whether the result of the research is suitable to implement in Indonesia or not, so that it may answer the question of whether they should continue the regulation of *zakat* as a deduction of taxable income based on the law regulation number 36, year 2011 or not.

b. Academician

The benefit for the academician is, hopefully it could be a reference to make another research and something expected for the implementation of regulation about *zakat* as a deduction of tax income based on the UU no 36 / 2011. It also could give an insight in case of economic, especially in Taxation.

c. Future Researcher

Hopefully this research could be a reference for the development of future research so that it may give vast of knowledge and new information given to the users.